

Renewal of the New York Non-Emergency Transportation Program

SECTION 1915(b)(4) of the Social Security Act

I. INTRODUCTION

Please provide a short narrative description, in one page or less, of your program, the background to your program and any other information relating to your request for a renewal of a Medicaid waiver.

The New York State Department of Health (Department) is requesting approval by the Secretary of Health and Human Services for a renewal of the Section 1915(b) (4) Medical Assistance waiver. This waiver, named the New York Non-Emergency Transportation Program, is necessary to continue to allow the State the flexibility to arrange for and assure necessary transportation in the most cost effective manner.

The purpose of this waiver program is to offer local social service districts alternative methods of arranging for the transportation of recipients to necessary medical care and services, methods which will result in the most efficient and cost effective management of Medical Assistance transportation services.

Description of the Administration of New York State Medicaid Transportation

The Department, the single state Medicaid agency, has divided the State into 58 local social services districts (each county in the State is a district, except for the five counties encompassed by the City of New York, which as a group is one district). Each district has been delegated by the Department the authority to administer its own medical transportation program. Under this authority, the district:

- 1. Makes arrangements for the availability of all modes of transportation, including arrangements with providers of transportation; and**
- 2. Authorizes payment for the individual transports which the district deems appropriate and necessary.**

This delegation maintains the greatest control, since the district is most capable of knowing the transportation needs of recipients living in that district, and is most knowledgeable about the available transportation network. Each district shares the costs of Medical Assistance—for transportation purposes, the cost share is 25%.

Districts administer their transportation program in strict accordance with Department regulation and policy. (See Appendix A, which is Department regulation governing Medicaid transportation services. This regulation describes the current administration of New York State’s Medicaid transportation program.)

The Department requires each district to submit a detailed plan to the Department outlining:

- 1. How the district will assure necessary transportation for all modes of transportation;**
- 2. The district’s prior authorization process; and,**
- 3. The complaint procedure in place for recipients.**

This plan, called the district’s Title XIX Medical Transportation Plan, is reviewed and approved by the Department. Any changes in the way the district administers its transportation program must be submitted to the Department for approval, and amendment of, the district’s plan.

The Department retains sole authority to approve the reimbursement amounts established by the district for reimbursement of transportation expenditures.

The Department provides policy guidance to all districts and works with district staff to improve the district’s transportation program.

Waiver Program Intent

The intent of the program is to offer to districts five alternative methods of arranging for the transportation of recipients for necessary medical care and services (see Appendix B, which describes each of these five methods):

- 1. Coordinated Transportation;**
- 2. Regional Rate Setting;**

3. Competitive Bid Procurement;
4. Cost Effective/Directed Transportation; and,
5. Select Arrangement for Transportation Efficiencies.

A district which proposes implementation of any of these methods and projects a savings of 5% or more from current transportation expenditures will be granted by the Department the authority to implement the program and waive the federal requirements described below.

Waiver Program Justification

This renewal of the waiver is being requested to continue to allow greater flexibility in arranging for cost effective transportation services while fulfilling the federal requirement at Part 42 CFR 431.53 that the State "...will assure necessary transportation for recipients to and from providers." This flexibility, in the form of five alternative methods of arranging for transportation, will result in necessary transportation services being delivered to recipients at a savings of 5% or more from current expenditures.

This request represents the second renewal of the waiver. The waiver has been in effect since January 1996. The State has shown success in this program, as documented in the most recently required evaluation of the program (submitted to the Centers for Medicare and Medicaid Services (CMS) in September 2001). This evaluation determined that the State saved \$7,608,131 during the three years studied, while access to medical care and services improved and consistent quality measures were followed. A copy of this evaluation is attached as Appendix C.

Districts have achieved tremendous success with the waiver initiatives. In some districts, other county transportation has opted to use the same, cost effective approach to providing transportation. For example, the coordinator of waiver transportation has become the county public transit authority, thereby using the public bus system to more economically transport Medicaid and non-Medicaid residents along the same, well-traveled routes. Employment programs have also used the coordination approach for transportation of employable adults to job sites. The joint use of transportation services allows local government entities to spend scarce financial resources wisely.

This request also furthers the joint goal of the Department of Health and Human Services and the Federal Transit Administration to coordinate

human services transportation. This request allows a district greater flexibility in coordinating its Medicaid transportation services with other human service agencies.

The objectives of the New York Non-Emergency Transportation Program are as follows:

- To encourage preventive and primary care by ensuring that every recipient for whom Medicaid is the primary payor has access to necessary medical care and services;**
- To arrange for quality and appropriate transportation to necessary medical care and services;**
- To maintain access to necessary medical care and services;**
- To maintain cost effectiveness of transportation services; and,**
- To foster the Department of Health and Human Services' goal of promoting coordinated human services transportation.**

II. GENERAL DESCRIPTION OF THE WAIVER PROGRAM

A. The Department requests a renewal of the New York Non-Emergency Transportation Program under the authority of Section 1915(b)(4) of the Social Security Act. The waiver program will be administered directly by staff of the pertinent county department of social services, with oversight by the Department, the single state Medicaid agency.

B. Effective Dates: This waiver renewal is requested for a period of two years, from May 20, 2002--May 19, 2004.

C. The waiver program is called the:

New York Non-Emergency Transportation Program.

D. Geographical Areas of the Waiver Program:

The waiver will be implemented in the following areas of the State:

(1) _____ Statewide

(2) X Other-than-Statewide (**Districts which currently administer a waiver initiative are listed in Appendix D**)

(Note: if the Department wishes to add another waiver initiative at any time during the waiver period, an official waiver modification will be submitted to CMS).

E. State Contact:

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F. Statutory Authority: The State's waiver program is authorized under **Section 1915(b)(4) of the Act** under which the State restricts the provider from or through whom a recipient can obtain medical care.

The Department requests the approval of a waiver for implementation of specific transportation programs in accordance with the terms and conditions specified under the provisions of Section 1915 (b) (4) of Title XIX of the Social Security Act. Approval

of this waiver request will allow the State to restrict recipients to specific transportation providers in participating districts.

A Section 1915(b)(4) waiver renewal is being requested so that a district may selectively contract with a single transportation coordinator, establish a reimbursement amount at which an adequate number of providers are able and willing to participate, or direct recipients to the least expensive transportation provider available at the time of transport.

As stated in Section 1915(b)(4), a coordinator or group of providers shall "...meet, accept, and comply with the reimbursement, quality and utilization standards under the State plan...."

A coordinator or group of providers will be selected on the basis of their "...demonstrated effectiveness and efficiency..." in providing such services. By demonstrating effectiveness and efficiency, the State refers to the coordinator's/providers' ability to deliver necessary transportation services to Medicaid recipients while reducing costs or slowing the rate of cost increases by at least five percent (5%).

G. Relying upon the authority of the above section(s), the State would like a waiver of the following Sections of 1902 of the Act:

1. **Yes** **Section 1902(a)(1)** - Statewideness--This section of the Act requires a Medicaid State plan to be in effect in all political subdivisions of the State.

This waiver program is not available throughout the State, but will be implemented at the request of individual district jurisdictions.

2. **Yes** **Section 1902(a)(10)(B)** - Comparability of Services-- This section of the Act requires all services for categorically needy individuals to be equal in amount, duration, and scope.

The Department intends to allow districts to arrange for transportation services which may differ in scope from other districts, based on the unique transportation arrangement in that district. For example, recipients located in one district may be required to travel with a group of individuals by van whereas another district will allow a recipient in a similar situation an individual taxi

ride.

However, the district will assure that transportation arranged is adequate and appropriate for the needs of each passenger.

In every initiative, the appropriate mode of transportation will be available to the recipient.

3. **Yes** ***Section 1902(a)(23)*** – Freedom of Choice—This section of the Act requires Medicaid State plans to permit all individuals eligible for Medicaid to obtain medical assistance from any qualified provider in the State.

Under this waiver, free choice of providers is restricted, that is, individuals in this waiver are constrained to receive waiver services from selected providers. The Department intends to instruct recipients who are subject to this waiver to access a single coordinator or a group of providers (depending upon the initiative) who will be responsible to deliver transportation to necessary medical care and services. The recipient's freedom to choose their transportation provider will be limited accordingly.

Such limitation will not apply to emergency transportation services and will not impair access to services of adequate quality where medically necessary.

Please note: This waiver will not prevent the recipient from receiving necessary transportation services. Under each of the initiatives, the appropriate mode of transportation will be available. A recipient is assured access to necessary medical care and services under each of the methods described in Appendix B.

H. Recipient Figures: The Average Monthly Medicaid Enrollees by County, for Federal Fiscal Year 2000, is attached in Appendix E:

- The source is the On-line SURS Information Retrieval System, New York State Department of Health, Office of Medicaid Management.
- County is the local district of fiscal responsibility, which may differ from the recipient's residence.

- Information is based upon date of service.
- The Number of Enrollees refers to all individuals who were eligible to receive services during the time period noted.
- Aid Category is the most recent on file for the time period covered.

I. Waiver Populations: The waiver is limited to the following target groups of recipients. Check all items that apply:

1. Yes AFDC - Aid to Families with Dependent Children.
2. Yes AFDC- Related
3. Yes SSI - Supplemental Security Income and SSI-related.
4. Yes Other – All remaining groups of recipients.

For some Medicaid services offered throughout the State, the costs of transportation of a recipient to and from that particular service are included in the rate reimbursed to the service provider. These transportation services will not be affected by this proposal.

This proposal will affect all Medicaid recipients in need of fee-for-service non-emergency medical transportation to necessary Medicaid covered care and services.

This proposal will not cover any emergency ambulance transportation. Throughout the State, a Medicaid recipient can request immediate, emergency ambulance transportation to a hospital emergency room.

J. Distance/Travel Times: Please define your access standards for distance/travel times for recipients to receive services.

Under normal circumstances (at least 24 hours notice), the provider will organize all transportation trips to ensure the greatest level of efficiency. Riders who live or are traveling to geographically similar locations will be grouped together. All travel time will be reasonable and appropriate, with most in-district travel being less than one hour. Transportation riding time for trips outside the district will be reasonable in length, considering both pickup and destination locations. Pickup and departure windows will be within 20 minutes of scheduled pickup time for those recipients living in one of the district's cities and villages, and within 30 minutes of scheduled

pickup time for those living in the outlying areas.

- K. Independent Assessment:** The State will arrange for an Independent Assessment of the cost-effectiveness of the waiver and its impact on recipient access to care of adequate quality. **This assessment is to be submitted to CMS six months prior to the end of the waiver period.** Entities that may perform the assessment include universities, actuaries, etc. Examples of independent assessments are available upon request.

The New York Non-Emergency Transportation Program has been evaluated twice. It is the Department's understanding that a formal evaluation by an independent entity is a requirement of the first two waiver periods, but is not required after a second renewal.

Therefore, it is the intent of the Department not to pursue a third **independent** evaluation of this waiver program for this renewal. However, the Department does intend to evaluate the program in the same manner that has been followed, and will use staff of the Department to evaluate the effectiveness of the waiver.

L. Description of Current Waiver Initiatives

Attached is Appendix F, "Description of District Waiver Initiatives," which details the specific waiver initiative of participating counties.

In this renewal, the Department is requesting approval of fourteen (14) waiver initiatives:

1. Seven initiatives have been formally approved:
 - Albany/Schenectady/Rensselaer
 - Chautauqua
 - Chenango
 - Greene
 - Herkimer
 - Ontario
 - Orange (Dialysis Only)
2. Two initiatives are new, and will begin after approval of this renewal request:
 - Orange (Ambulette and Taxi Only)
 - Steuben
3. Four initiatives were in existence prior to the original approval

date of 1996. These initiatives were listed in the original application:

- **Orange (Westchester Medical Center)**
- **Cortland**
- **Chemung**
- **Oswego**

4. One initiative was submitted to CMS in 1999, but work on the application was pended while the Department and CMS discussed the future of this waiver program:

- **Allegany.**

III. PROGRAM IMPACT

In this section, please provide information on (a) affected recipients, (b) services, and (c) waiver providers.

A. Affected Recipients

All categories of Medicaid recipients may participate in the transportation programs described.

Recipients who will be covered under the applicable waiver of transportation approved by the State and implemented by the district will either:

- 1. Arrange and pay for their own transportation at no cost to the Medicaid program; or**
- 2. Choose to be transported under arrangement of the method being used by the district.**

Recipients are generally expected to arrange and pay for their own transportation services at no cost to the Medicaid program. When the recipient will experience a financial hardship due to the level of incurred transportation expenses, the Department will arrange and pay for transportation services in order to eliminate this barrier and to make accessible necessary medical care and services.

Recipients who are unable to arrange and pay for their own transportation services will be mandated to participate under arrangement of the method(s) being used by the district.

- 1. Notification Process:** Please explain in detail the process through which recipients will be notified of the waiver program provisions.

As a waiver initiative is implemented, district staff will develop a written explanation of the new system, outlining procedures to be followed, and mail it to all users of transportation. Staff will also reinforce the new procedures verbally with all recipients as they request transportation services.

- 2. Recipient's Choice of Providers.** If more than one provider is selected per geographical area, please address the following points:

- (a) Will recipients be given the choice of selected providers? If so, how will they select a provider, and how will the provider be informed of the recipient's choice?

Recipients will not be able to choose their provider of transportation service.

- (b) How will beneficiaries be counseled in their choice of waiver providers?

Not applicable.

- (c) How will the recipient notify the State of provider choice?

Not applicable.

- (d) Define the timeframes for recipients to choose a waiver provider.

Not applicable.

- (e) Will the recipients be auto-assigned to a waiver provider if they do not choose? Yes _____ No **X** **Not Applicable**

3. Implementation Process

- (a) Will implementation occur all at once?

X Yes

- (b) Will there be accommodations for special-needs populations such as the disabled, etc.?

X Yes

The level of disability, as determined by the physician's authorization and upon review of the request, will determine the mode of transportation and the necessity of an attendant when the recipient is transported.

- 4. Education Materials:** Please include all relevant recipient education materials, including the **initial notification letter** from the State. Also, check the items which will be provided to the recipients:

For new initiatives, district staff will develop a written

explanation of the new system, outlining procedures to be followed, and mail it to all users of transportation upon approval of the waiver.

The State will receive a copy of the letter for review and approval prior to the letter being sent to affected recipients.

B. Services

1. Description of Services:

Please identify the Medicaid services which will be affected by the selective contracting process:

Services included under this waiver are non-emergency transportation services.

Emergency transportation services (i.e., immediate ambulance transportation to a hospital emergency room) are excluded because their use cannot be restricted under any circumstance.

C. Selection and Availability of Providers

1. Selection Criteria: Please describe the provider selection process, including the criteria used to select the providers under the waiver. These include quality and performance standards that the providers must meet.

Depending on the waiver model chosen, the district will select either a transportation coordinator, a private entity who will either deliver or subcontract with other transportation providers to deliver all non-emergency transportation needed by the district, or a group of providers who will deliver the non-emergency transportation. The coordinator/provider may be responsible for all non-emergency ambulance, wheelchair van, taxi, public bus, and personal vehicle mileage, depending upon the initiative.

Depending upon the initiative, the district or the coordinator will be responsible for prior authorization of all non-emergency transportation requests from Medicaid recipients. In the situation in which the district retains responsibility, eligible requests will be forwarded to the coordinator/providers. In the situation in which the coordinator

maintains responsibility, the coordinator will verify the recipient's Medicaid eligibility.

In either situation, the coordinator/providers will schedule the transportation to and from appointments. The coordinator/providers will achieve efficiencies by establishing fixed routes and grouping transports to and from medical appointments.

Under the waiver models in which a coordinator is used, the coordinator will arrange for and provide, either directly or through subcontract, non-emergency medical transportation to and from appointments in the common medical marketing area. As defined in Department regulation NYCRR 505.10 (Appendix A), the common medical marketing area means the geographic area from which a community customarily obtains its medical care and services.

When feasible or necessary, the coordinator will subcontract with another vendor to deliver appropriate non-emergency transportation. The coordinator will be required to negotiate in good faith with existing formal transportation providers, but is not required to subcontract with each of them if agreements cannot be reached.

Under all the waiver models, the coordinator/providers will be the only participating Medicaid transportation provider(s) in the district. Medicaid recipients, who must receive prior approval for all non-emergency transportation, must use the coordinator/providers for their transportation needs, unless they are able to drive themselves or prevail upon family members for such transportation. The coordinator/providers will deliver or subcontract for professional transportation service.

- 2. Program Requirements:** Below is a description of provider qualifications and requirements under the waiver. Providers **must**:
 - a. Be Medicaid qualified providers** and agree to comply with all pertinent Medicaid regulations and State plan standards regarding access to care and quality of service and meet general qualifications for enrollment as a Medicaid provider.

New York State License Requirements

Ambulance services must be certified or registered by the Department and comply with all requirements of the Department.

Ambulette services must be authorized by the Department of Transportation. Ambulette services operating in New York City must be licensed by the New York City Taxi and Limousine Commission.

Ambulette drivers must be qualified under Article 19-A of the NYS vehicle and Traffic Law. Ambulette services and their drivers must comply with all requirements of the Department of Transportation and the Department of Motor Vehicles or have a statement in writing from the appropriate Department or Departments verifying that the ambulette services or their drivers are exempt from such requirements.

Taxicab or livery services must comply with all requirements of the local municipality concerning the operation of taxicab or livery services in that municipality.

Bus companies must be authorized by the Department of Transportation or comply with all requirements of the authority under which it is legally bound.

- b. Not refuse to provide services** to a waiver participant or otherwise discriminate against a participant solely on the basis of age, sex, race, physical or mental handicap, national origin, or type of illness or condition, except when that illness or condition can be better treated by another provider type.

The Department requires that no transportation provider will discriminate against a participant solely on the basis of age, sex, race, physical or mental handicap, national origin, or type of illness or condition.

Monitoring Quality: All transportation providers are required to have a valid license and maintain those minimum standards established by the pertinent transportation regulatory agency described above.

The Department has established a formal line of communication from each of the regulatory agencies to the Department. Regulatory agencies inform the Department

when a particular provider is out of compliance with the requirements of that agency. The Department then takes the appropriate enrollment action.

Complaints made by recipients will be referred to and reviewed by the district. A log of recipient complaints with resolution will be maintained.

Complaints of coordinator quality of sufficient egregiousness, made by districts or recipients, are referred by the Department to the appropriate regulatory agency for investigation and necessary action.

- 4. Reimbursement of Providers:** Under this waiver, providers are reimbursed on the following basis:

 X fee-for-service

 X capitated

Basis of payment depends on the waiver model chosen. Refer to Appendix B for description of each method of coordination of transportation services.

IV. ACCESS TO CARE AND QUALITY OF SERVICES

- A. General:** The beneficiary's access to quality medical services must at a minimum not be adversely affected by a 1915(b)(4) waiver program. A waiver must assure an adequate amount of services during reasonable time periods and within reasonable geographic distance from the residences of the individuals enrolled under the waiver. Furthermore, access to emergency services and family planning services must not be restricted.

All modes of transportation services will be available on a daily basis, as required by Medicaid recipients. Transportation will be available to all care and services covered under the Medicaid Program, including emergency and family planning services.

The recipient's access to medical care and services will not be adversely affected. In the waiver initiatives underway, recipient transportation services have improved access to care and services, by:

- **creating one telephone contact number for transportation requests,**
- **educating recipients how to receive the appropriate mode of transportation,**
- **improving the availability of public transportation, and,**
- **allowing for a more timely response to transportation needs due to the freeing of resources under a coordination arrangement.**

This waiver will not in any way restrict recipient access to emergency transportation services, i.e., ambulance transportation to a hospital emergency room. Emergency ambulance transportation is received when a recipient or other individual calls local emergency services and requests the assistance of ambulance personnel. Transportation is provided immediately. No inquiry as to Medicaid or other insurance eligibility is made until the care of the patient is transferred to emergency room personnel.

- B. Monitoring Access:**

1. **Service Access Areas:** Please explain in detail the State's plans to monitor and improve the following areas of service access:
 - a. time and distance
 - b. waiting times to obtain services
 - c. beneficiary knowledge of how to appropriately access waiver services

In each waiver initiative, a coordinated process requires all recipients to call a central telephone number. This insures control of all requests, enabling the coordinator/providers to schedule transports comprehensively. The Department will verify that there is a central, toll-free number accessible to all recipients.

Under normal circumstances (at least 24 hours notice), the coordinator/providers will organize all transportation trips to ensure the greatest level of efficiency. Riders who live or are traveling to geographically similar locations will be grouped together. All travel time will be reasonable and appropriate, with most in-district travel being less than one hour. Transportation riding time for trips outside the county will be reasonable in length, considering both pickup and destination locations. Pickup and departure windows will be within 20 minutes of scheduled pickup time for those recipients living in one of the district's cities and villages, and within 30 minutes of scheduled pickup time for those living in the outlying areas. The Department will insure that this requirement is included in the contract/agreement with the coordinator/providers. Further, the Department will inquire about any complaints recipients have lodged.

Recipients are counseled, when necessary, on the effective means of requesting the appropriate mode of transportation services. This is a benefit of this waiver initiative. Recipients will thus have better access to needed medical care and services.

2. **Procedure for Monitoring:** *Beneficiary access to care will be monitored during the waiver period by the State as indicated below.*

The Department will perform site visits of each district upon renewal of the waiver program. These visits will be recorded, and findings will be made available upon request. Any deficiencies will be noted, and the district will be instructed on corrective actions.

The district will record recipient complaints. These complaints will be reviewed by the Department at the time of the site visit, and upon Department request.

C. *Monitoring Quality of Services:* Please explain in detail the State's plans to monitor and assure quality of services under the waiver program. Please describe how the State will monitor the following:

1. Complaints, grievance and appeals system.

The district receives reports from the coordinator/providers with detailed information about riders and trips.

The district will receive reports containing information about any complaints made by riders and the manner of disposition.

The district will track the number of fair hearing requests received regarding medical transportation, indicating both issue(s) involved and disposition of the fair hearings.

These reports will be reviewed at the time of the site visit, and upon request of the Department.

The district will schedule periodic meetings with the coordinator/providers to discuss issues of common concern.

Complaints:

Complaints made by recipients are referred to and reviewed by the district. A log of recipient complaints with resolution will be maintained. The Department will review these complaints at the time of the site visit, and upon request of the Department.

Grievance Process:

Recipients will be instructed to submit their complaint to the coordinator/providers for resolution. If unresolved, the recipient will be allowed to make a complaint, verbally or in writing, to the district staff person overseeing the waiver initiative. The district staff person will seek resolution of the problem. If unresolved, the recipient maintains one's right to a fair hearing.

Right to a fair hearing: Recipients subject to the waiver program will be entitled to the same fair hearing process as is now available to all recipients in the absence of the waiver. The State

regulations governing such hearings appear at Part 18 of the New York Code of Rules and Regulation (NYCRR) 358-3 et seq; such regulations wholly conform to the requirements of 42 C.F.R. 431.200 et seq.

Recipients will not be able to challenge a district's decision to propose and implement any of the specific waiver models described above. This decision is the prerogative of the district and the Department, and is not hearable.

The Department will monitor districts to insure these rights are available to recipients.

2. State Intervention: If a problem is identified regarding access to care and quality of services problems, the State will intervene as noted below (please indicate which of the following the State utilizes.)

- (a) ☒ Education and informal mailing
- (b) ☒ Telephone and/or mail inquiries and follow-up
- (c) ☒ Request that the provider respond to identified problems
- (d) ☒ Referral to program staff for further investigation
- (e) ☒ Corrective action plan, as necessary

V. COST EFFECTIVENESS

- A. General:** In order to demonstrate cost effectiveness, a waiver request must show that the cost of the waiver program will not exceed what Medicaid's cost would have been in the absence of the waiver. The cost-effectiveness section provides a methodology to demonstrate that the waiver program will be less costly than what costs would be without the waiver.

In the Evaluation of the New York State Non-Emergency Medicaid Transportation Waiver, submitted to CMS in September 2001, the initiatives resulted in a gross savings of \$7,608,131 over the three years evaluated.

Below, in Section C, is a chart of the projected savings to accrue to the Medicaid Program for each of the waiver initiatives, during the two year renewal period. These projections are the same as those listed in Attachment F, "Description of District Waiver Initiatives." Per projections, the Department anticipates savings of \$9,489,397.

- B. Rationale for Expected Cost Savings:** Please explain the State's rationale for expected cost reductions under the waiver program. Include all assumptions made regarding changes due to inflation, utilization rates, State Plan payment rates, and other factors.

The Department followed four methods to determine savings:

- In those districts in which an evaluation was submitted in September 2001, the Department began the analysis by using the "Anticipated Expenditures Without Waiver (1999)" amount, and projected forward the costs for future years without implementation (the trend figure was derived by using the actual percent change in Medicaid expenditures during this period, or the expected increase in future Medicaid spending). We then compared this amount to the actual waiver amount.
- In those districts that are new to this application, except for Chemung and Oswego, the Department first determined the costs during the fiscal year prior to the waiver period. These base year cost data were then projected forward, adjusting for changes in the rate of inflation of the New York Medicaid Program. This results in a determination

what costs would be without the waiver. We then compared this amount to the actual waiver amount.

- Due to the mid-1980s implementation of the Chemung County initiative, the Department does not have prior year financial information available to forecast future years' anticipated expenditures without the waiver. For this initiative, the Department used the rate of general Medicaid spending, and applied this to Chemung's actual and targeted expenditures, and calculated savings.

Additionally, the Department compared the current cost of transportation services incurred by other districts, which the Department believes are socio-economically similar to Chemung County, to the current cost of the Chemung County initiative. This comparison resulted in a favorable view of the Chemung initiative.

- The Oswego County initiative is based on securing an efficient per trip amount for the different modes of transport covered. Success in the initiative is determined by using the initial year's per trip amount, and then projecting this amount forward, adjusting for changes in the rate of inflation of the New York Medicaid Program. This results in a new per trip amount. We then compared this amount to the actual waiver amount currently being paid for each trip.

However, the Department did secure the utilization number during the year 2001, and was able to determine the overall savings that accrued to the initiative one trip at a time.

C. Program Savings

It has been the Department's experience with current initiatives that cost efficiencies are available when a transportation expert coordinates transportation. These efficiencies are the result of:

- group riding,
- routing of trips, and
- utilization of the most appropriate mode of transportation, particularly public transit.

In some instances, these efficiencies are not readily apparent due to unforeseen changes in the need for fee-for-service transportation. These unforeseen changes are:

- State coverage of new Medicaid services. (For example, implementation of the Traumatic Brain Injury Program Waiver, whereby the Department seeks to move recipients out of long term care institutions into the community, with the expected transportation services available.);**
- Expansion of existing Medicaid services. (For example, adult day health care programs are a viable method to maintain elderly recipients in the community longer, before nursing home care is required. With increasing numbers of elders in the community, the census of these daily programs is increasing, resulting in regularly recurring transportation of these individuals.);**
- Service provider's decision to exclude the costs of transportation in reimbursement received for the service. (For example, some managed care plans have opted to remove the cost of transportation from the plan's monthly capitated fee. While the capitated amount is reduced, the transportation coordinator is now responsible for a significant number of transports which were not included in the original agreement.)**

As mentioned above in Section B, the Department has shown that savings are still maintained when unanticipated changes in transportation utilization occur.

- (a) What is the rationale for savings (i.e., how is the district able to reduce projected expenditures by at least 5% from current expenditures while assuring transportation to necessary medical care and services)?**

The cost savings will be realized through the provision of coordinated, efficient, and cost-effective management of medical transportation services. This will reduce both overall transportation costs and administrative time for this Department.

D. Format for Showing Savings Summary

1. The following schedule shows the calculation of the State's program benefit costs under the waiver (if these are not applicable to the State's methodology, please attach the calculations).

District Waiver Initiative	Expected Savings Year 2002	Expected Savings Year 2003	Expected Savings Year 2004	Accrued Savings
Albany, Schenectady & Rensselaer Initiative	\$195,848	\$201,202	\$206,556	\$603,606
Allegany County Initiative	\$26,777	\$27,856	\$28,935	\$83,568
Chautauqua County Initiative	\$73,889	\$76,339	\$78,789	\$229,016
Chenango County Initiative	\$64,693	\$67,400	\$70,107	\$202,200
Greene County Initiative	\$23,167	\$23,972	\$24,776	\$71,915
Herkimer County Initiative	\$408,137	\$425,214	\$442,291	\$1,275,643
Ontario County Initiative	\$72,966	\$76,018	\$79,071	\$228,055
Steuben County Initiative	\$30,434	\$31,845	\$33,257	\$95,536
Orange County Ambulette and Taxi Initiative	\$672,818	\$704,025	\$735,231	\$2,112,074
Orange County Dialysis Initiative	\$821,752	\$856,135	\$890,518	\$2,568,405
Orange County Westchester Medical Center	\$149,833	\$154,134	\$158,434	\$462,401
Cortland County Initiative	\$23,526	\$24,419	\$25,311	\$73,256
Chemung County Initiative	\$39,267	\$40,974	\$42,681	\$122,922
Oswego County Initiative	\$648,000	\$356,400	\$356,400	\$1,360,800
Total----->	\$3,251,107	\$3,065,932	\$3,172,358	<u>\$9,489,397</u>